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8 *Attorneys for Debtors and Reorganized Debtors*

9 **UNITED STATES BANKRUPTCY COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**
SAN FRANCISCO DIVISION

11 **In re:**

12 **PG&E CORPORATION,**

13 **- and -**

14 **PACIFIC GAS AND ELECTRIC**
COMPANY,

15 **Debtors.**

- 16 ☐ Affects PG&E Corporation
17 ☐ Affects Pacific Gas and Electric
Company
18 ☒ Affects both Debtors

19 ** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Case No. 19-30088 (DM)

Chapter 11
(Lead Case) (Jointly Administered)

**STATUS CONFERENCE STATEMENT
REGARDING REORGANIZED
DEBTORS' SEVENTY-NINTH
OMNIBUS OBJECTION TO CLAIMS –
CLAIM OF DAVID ADDINGTON
(CLAIM NO. 3093)**

[Related to Docket No. 10673]

Date: June 30, 2021
Time: 10:00 a.m. (Pacific Time)
Place: (Telephonic Appearances Only)
United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

1 **I. PRELIMINARY STATEMENT**

2 In advance of the June 30, 2021, 10:00 a.m. omnibus hearing (the “**Status Conference**”),
3 PG&E Corporation and Pacific Gas and Electric Company, as debtors and reorganized debtors
4 (collectively, the “**Debtors**” or the “**Reorganized Debtors**”) in the above-captioned chapter 11 cases
5 (the “**Chapter 11 Cases**”), hereby submit this status conference statement in connection with their
6 objection to the claim of David Addington (Claim No. 3093) (the “**Addington Claim**”) through the
7 *Reorganized Debtors’ Seventy Ninth Omnibus Objection to Claims (Books and Records Claims)* (the
8 “**Seventy-Ninth Omnibus Objection**”) [Docket No. 10673].¹

9 Mr. Addington asserts a \$3,548,941.93 prepetition claim against the Utility for a “High
10 Voltage Utility-Specific Access Charge.” In brief, Mr. Addington alleges² that, upon his purported
11 termination in 2017 of an easement on his property dating from 1908, he became entitled to charge
12 Pacific Gas and Electric Company for the electricity being transmitted through its power lines set
13 on that easement. The Reorganized Debtors request the opportunity to submit briefing on their
14 legal argument that Mr. Addington’s attempt to terminate the easement unilaterally, without notice
15 or hearing and without a judicial determination that the easement could be terminated, was invalid
16 as a matter of law, and as such, Mr. Addington has no right to charge the Utility for electricity
17 transmitted on power lines set on PG&E’s easement.

18 **II. ADDITIONAL BRIEFING PRIOR TO AN EVIDENTIARY HEARING IS**
19 **APPROPRIATE**

20 By the Seventy-Ninth Omnibus Objection, the Reorganized Debtors objected to the
21 Addington Claim on the basis that their books and records did not show any amount owed to Mr.
22 Addington. In accordance with the Omnibus Objections Procedures Order, in the Seventy-Ninth

23 ¹ Capitalized terms used but not defined herein have the meanings ascribed to them in the Seventy-
24 Ninth Omnibus Objection.

25 ² Mr. Addington sent his response to the Seventy-Ninth Omnibus Objection to counsel for the
26 Reorganized Debtors by e-mail on June 16, 2021, but it does not appear that he filed his response or
27 sent it to the Court for docketing. For the Court’s reference, a copy of Mr. Addington’s response is
28 attached hereto as **Exhibit A**. Mr. Addington’s response includes a handwritten copy of the
easement at issue. For the Court’s reference, a copy of the actual typewritten, signed easement, as it
is recorded in Alameda County, Book 1578, Deeds page 189, is attached hereto as **Exhibit B**.

1 Omnibus Objection, the Reorganized Debtors reserved their right to, among other things,
2 supplement their objection and to object to the Books and Records Claims on any other grounds
3 that the Reorganized Debtors deem appropriate.

4 The Reorganized Debtors submit that there is no genuine dispute as to material facts and
5 that they are entitled to disallowance of the Addington Claim as a matter of law. Principally, the
6 Reorganized Debtors will demonstrate that Mr. Addington's unilateral recording of the notice of
7 termination of easement was facially invalid and legally insufficient to terminate PG&E's
8 easement. Neither applicable law, nor even the language in the easement cited by Mr. Addington,
9 creates a right in the original grantor or its successors to terminate the easement in their sole
10 discretion.³ The issues involved in determining the Addington Claim are issues of California law
11 concerning real property, including easements, marketable record title, and recording of documents,
12 as well as the laws relating to public utilities. The Reorganized Debtors request the opportunity to
13 supplement the Seventy-Ninth Omnibus Objection and present further briefing on the controlling
14 legal issues involved, so that the Court may rule on the Seventy-Ninth Omnibus Objection as it
15 concerns the Addington Claim as a matter of law.

16 **III. PROPOSED BRIEFING SCHEDULE**

17 At the Status Conference, the Reorganized Debtors will propose the briefing schedule set forth
18 below (the "**Proposed Briefing Schedule**"). Prior to the filing of this Status Conference Statement,
19 counsel for the Reorganized Debtors exchanged e-mails with Mr. Addington regarding the Proposed
20 Briefing Schedule. Mr. Addington informed counsel for the Reorganized Debtors that he believes no
21 further briefing on legal issues is necessary, and that an evidentiary hearing is the next step in the
22 resolution of the Addington Claim. The Reorganized Debtors disagree and believe that the Court's
23 consideration of the legal issues is the most efficient path forward for disposition of the Addington
24 Claim. Moreover, the Reorganized Debtors have proposed a shortened briefing schedule in
25 consideration of Mr. Addington's stated desire to proceed expeditiously. Of course, if the Court
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27 ³ Mr. Addington does not disclose his reasons for allegedly terminating the easement, offering only
28 that "PG&E and I became involved in a dispute of the continuing use of the easement." Addington
Decl. ¶ 5.

determines that the Addington Claim and the Reorganized Debtors' objection to the Addington Claim cannot be resolved as a matter of law, the Reorganized Debtors will meet and confer with Mr. Addington regarding further proceedings, including the scheduling of an evidentiary hearing if necessary.

Proposed Briefing Schedule	
Date	Event
July 9, 2021	Reorganized Debtors' Supplemental Brief on Disposition of the Addington Claim as a matter of law
July 21, 2021	Addington Response Brief
July 26, 2021	Reorganized Debtors' Reply
July 28, 2021	Hearing on legal issues addressed in briefing

At the Status Conference, the Reorganized Debtors will request that the Court consider and adopt the Proposed Briefing Schedule or a similar procedure for resolving the Addison Claim.

Dated: June 24, 2021

KELLER BENVENUTTI KIM LLP

/s/ Thomas B. Rupp

Thomas B. Rupp

Attorneys for Debtors and Reorganized Debtors